

## **TESTIMONY OF U.S. SENATOR RICK SANTORUM**

### **BEFORE THE SENATE COMMERCE COMMITTEE**

**FEBRUARY 1, 2001**

Thank you Chairman McCain, Senator Hollings and members of the committee. I appreciate the opportunity to submit testimony today on the impending airline mergers. I am particularly interested in these mergers as they relate to jobs and services for my constituents and as they impact competition in the airline industry.

With regard to the United-US Airways merger, I made it clear when the merger was first announced that to gain my support the airlines had to address my two principal concerns -- protecting existing jobs in my state and continuing plans to build a new maintenance facility in Pittsburgh. Since that time, United Airlines Chairman Jim Goodwin and US Airways Chairman Stephen Wolf announced their willingness to make good on both of those promises.

In particular, I was very pleased that United Airlines committed to the long-planned expansion of the maintenance facility in Allegheny County. This project is not only important to the Commonwealth of Pennsylvania; it is critical to the thousands of maintenance workers that depend on these jobs to support their families. I believe the United-US Airways alliance will benefit the people of Pennsylvania and consumers.

Knowing there are still critics of the United-US Airways merger, I respectfully request that you consider the alternative. Just a few weeks ago, US Airways reported that high fuel prices and expanding low-cost and network carrier competition combined to produce disappointing financial results for the company -- a net loss of \$269 million for the year 2000. Absent this merger, US Airways would be in dire financial straits and jobs at US Airways would be in jeopardy. Previous air carriers didn't have the opportunity that US Airways has today. Consider the employees of Pan Am, Eastern and Braniff and how the states where they operated have been impacted.

Without the merger to preserve US Airways' service network, I question if Pittsburgh, Philadelphia and smaller communities across my state will continue to get the kind of service that they need. The merger would not only ensure but expand the service to and from the Commonwealth of Pennsylvania.

I understand that looking beyond the United-US Airways merger there is some concern about the longer-term impact on competition in the airline industry. However, recent economic studies demonstrate that airline mergers can have tremendous benefits for consumers -- in addition to saving tens of thousands of highly skilled, high paying jobs.

Specifically, airline consolidation can increase travel convenience for consumers. In the merger of US Airways with United Airlines, travelers would be able to reach more destinations without switching

airlines. Not only is direct travel more convenient in terms of connection times, baggage handling and frequent flier miles, it is also on average 55% cheaper than switching airlines.

I believe the airline mergers in question are a step towards replacing fragmented regional networks with truly national networks and creating local and nationwide competition. The end result would be good for my constituents and good for our nation's travelers.

Thank you, Mr. Chairman.